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BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES IN AND FOR THE STATE OF UTAH

SECRETARY, BOARD OF OIL, GAS & MINING

JAMES CURTIS and DEBRA STARKEY aka DEBRA CURTIS PETITIONERS,	: REQUEST FOR AGENCY ACTION : DOCKET NO2010 - 017 :
Vs.	: CAUSE NO131-127 B
MOUNTAIN OIL AND GAS, INC. and HOMELAND GAS AND OIL, LTD., RESPONDENTS.	3 1 1

Comes now the Petitioners, James Curtis and Debra Starkey aka Debra Curtis, and in support of their Petition, states the following:

- Petitioners are residents of San Diego County, State of California and Los Angeles County, State of California, respectively. As evidenced by Exhibit A, Petitioners are owners of oil and gas rights in the NESE, Section 2, Township 2 South, Range 1 East, U.S.M., Uintah County, Utah.
- 2) Respondent Mountain Oil and Gas, Inc., P.O. Box 1574, Roosevelt, Utah 84066 and Respondent, Homeland Gas and Oil, Ltd., P.O. Box 1776, Roosevelt, Utah 84066 operate the well and receive proceeds from the sale of oil produced from the well.
- By order, in Cause No. 131-24 dated January 16, 1974, the Board of Oil, Gas and Mining (Board) established a drilling unit covering said lands consisting of the entire governmental section.
- 4) Located in said Section 2 is a well known as the 1-2B1E, API# 43-047-30931. Said well is, and has been previously, producing oil and gas from the Lower Green River and Wasatch Formations. It is the only well located in the Section.
- 5) The DOGM currently recognizes, and has done so since October 2006, Respondent, Homeland Gas and Oil, LTD. as the Operator of the 1-2B1E well. Revenues from the

- sale of oil from the 1-2B1E well are currently received by Respondent, Mountain Oil and Gas, Inc and/or Homeland Gas and Oil, LTD.
- Petitioners are entitled to a share of the proceeds from the sale of oil produced by the 1-2B1E well as its lands are contained within that drilling unit established by the Board. Said Section contains 650.9 acres. Petitioners own an undivided 25% of 40 acres oil and gas rights as shown by Exhibit B.
- 7) To the best of Petitioners' memory Respondent's have never disbursed Petitioners' share of the proceeds from oil sales to Petitioners. Petitioners have requested that Respondents immediately pay the sums owing and have requested the date such sums will be paid. Notwithstanding such requests Respondents have failed to disburse the proceeds from the sale of oil to which Petitioners are entitled and to reply as to what date such proceeds shall be disbursed.
- 8) The non-payment of proceeds by Respondents occurred from April, 2006 to the present, but may not be limited to this time frame as Petitioner cannot find in the public record a document wherein Mountain Oil, Inc. assigned their interest to Homeland Gas and Oil, LTD but rather can only find the documentation wherein operatorship change was requested to the Division of Oil, Gas and Mining (DOGM).
- 9) The failure to disburse proceeds to those owners is, at the very least, a breach of its fiduciary obligations and contractual obligation as operator (approved by DOGM and not as defined by Utah Code Ann. § 40-6-2 (16) (1953, as amended)) of the well and as recipient of the proceeds from the sale of oil.
- Petitioners believes that Respondents failed to escrow such unpaid proceeds as is required by Utah Code Ann. § 40-6-9-3(b)(i) (1953, as amended).

WHEREFORE, Petitioners respectfully request as follows:

- A) Pursuant to Utah Code Ann. § 40-6-9, (1953, as amended), the Board set this matter for an Investigation and Negotiation Conference by the Division in accordance with the rules of the Board of Oil, Gas and Mining ("Board").
- B) If this matter cannot be resolved by the Investigation and Negotiation Conference, the Board set the matter for hearing at a regularly scheduled hearing of the Board of Oil, Gas and Mining.
- C) Following such hearing, the Board enter an Order that:

- Non-payment of proceeds on the above referenced well is intentional with full knowledge and without reasonable justification; and
- A complete accounting be made of the above referenced well, the cost of which shall not be charged to the interest owner in the above-referenced well; and
- 3) Pursuant to the accounting, all proceeds to which the Petitioners are entitled be disbursed within 30 days, and if ordered by the Board, interest at the rate of one and one-half percent (1 ½%) per month from date of delinquency; and a penalty of twenty-five percent (25%) of the delinquent proceeds due and owing the Petitioners; and
- 4) Respondents be required to timely pay all future proceeds from the well in accordance with Utah Code Ann. § 40-6-9 (1953, as amended); and
- 5) Respondents be required to, as applicable, escrow future proceeds from the well in accordance with Utah Code Ann. § 40-6-9 (1953, as amended).

Dated this ______ day of February, 2010.

Signed

James Curtis, Petitioner 10986 Weston Hill Dr. San Diego, CA 92126 858-693-1349

Signed

Debra Starkey, Petitioner 718 S. Catalina, #3

Redondo Beach, CA 90277-4632

310-316-9596

CERTIFICATE OF SERVICE

I, James Curtis and I, Debra Starkey, hereby certify that on the day of
February, 2010, we did cause to be mailed, postage prepaid, the foregoing REQUEST
FOR AGENCY ACTION to the following parties:

Mountain Oil and Gas, Inc. P.O. Box 1574 Roosevelt, Utah 84066

Homeland Gas and Oil, Ltd. P.O. Box 1776 Roosevelt, Utah 84066

Signed: ____

James Curtis, Petitioner

Signed: Debra Starkey, Petitioner

- Non-payment of proceeds on the above referenced well is intentional with full knowledge and without reasonable justification; and
- 2) A complete accounting be made of the above referenced well, the cost of which shall not be charged to the interest owner in the above-referenced well; and
- 3) Pursuant to the accounting, all proceeds to which the Petitioners are entitled be disbursed within 30 days, and if ordered by the Board, interest at the rate of one and one-half percent (1 ½%) per month from date of delinquency; and a penalty of twenty-five percent (25%) of the delinquent proceeds due and owing the Petitioners; and
- 4) Respondents be required to timely pay all future proceeds from the well in accordance with Utah Code Ann. § 40-6-9 (1953, as amended); and
- 5) Respondents be required to, as applicable, escrow future proceeds from the well in accordance with Utah Code Ann. § 40-6-9 (1953, as amended).

Dated thisday of Feb	oruary, 2010.
Signed	James Moot
- //	James Curtis. Petitioner
У	10986 Weston Hill Dr.
	San Diego, CA 92126
	858-693-1349
Signed	
	Debra Starkey, Petitioner
	718 S. Catalina, #3
	Redondo Beach, CA 90277-4632

310-316-9596

CERTIFICATE OF SERVICE

I, James Curtis and I, Debra Starkey, hereby certify that on the	17 day of
February, 2010, we did cause to be mailed, postage prepaid, the foregoing F	REQUEST
FOR AGENCY ACTION to the following parties:	
Mountain Oil and Gas, Inc.	
P.O. Box 1574 Roosevelt, Utah 84066	
Homeland Gas and Oil, Ltd. P.O. Box 1776 Roosevelt, Utah 84066	į.
Signed: James Curtis, Petitioner	
Signed:	
Debra Starkey, Petitioner	

CASSIGNMENT BK 888 PG 625

EXHIBIT A

PRODUCERS 88-PAID UP Rev. 5-60, No. 2 — 8pt.	- CACABAGE	ENTRY 77000357 BOOK 634 PAGE 222
OIL AN	ND GAS LEASE	DOOR BUT TITE
AGREEMENT, Made and entered into the	day ofSeptember	
James Curtis and Debra Curtis Whose post office address is 10986 Weston Hill Dr.	San Diego CA 92126	ereinafter called Lessor (whether one or more) and
Hinta Oil & Gas Inc. whose post off	ice address in Roosevelt Utal	, 10,000,000
WITNESSETH, That the Lessor, for and in consideration of To cash in hand paid, the receipt of which is hereby acknowledged, and it by these presents does grant, demise, lease and let exclusively unto the exploring by geophysical and other methods, and operating for and prod for laying pipe lines, and erection of structures thereon to produce,	en and more ne covenants and agreements hereinafter said Lessee, the land hereinafter describe	contained, has granted, demosed, leased and let, and d, with the exclusive right for the purpose of mining, ever nature or kind, with rights of way and easternests that certain tract of land situated in the County of
described as follows, to-wit:	Et	97000357
Township 2 South Range 1 East USM Section 2: NE4SE4	RECORDED TO SERVICE OF THE SERVICE O	M 634 PAGE 222-824 14-00 MM 97 SIPPIONS CORDER, UINTAN COUNTY, UTAN NTA OIL AND GAS INC D BOX 1618 ROUSEVELT UT 84066 D BY: SYLENE ACCUTTOROUP, DEPUTY
and containing 40.00 acres, more or less. 1. It is agreed that this lease shall remain in force for a term of fer from said leased premises or on acreage pooled therewith, or drilling this lease, oil or gas is not being produced on the leased premises or thereon, then this lease shall continue in force so long as operations operations shall be considered to be continuously prosecuted if not me the beginning of operations for the drilling of a subsequent well. If a should cease from any cause after the primary term, this lease shall (90) days from take of cessation of production or from date of comp at or after the expiration of the primary term of this lease, this lease.	on acreage pooled therewith but Lesson are being continuously prosecuted on the minety (90) days shall clapse before discovery of oil or gas on said fund not terminate if Lessee commences addletion of dry hole. If oil or gas shall beet shall continue in force so long as oil or g	e is then engaged in drilling or re-working operations, the leased prefuses or on acreage pooled therewith; and tween the completion or abandonment of one well and or on acreage pooled therewith, the production thereof intonal drilling or re-working operations within ninety discovered and produced as a result of such operations as is produced from the leased premises or on acreage
pooled therewith. 2. This is a PAID-UP LEASE. In consideration of the down cash to commence or continue any operations during the primary term. It or any portion of said land and as to any strate or stratum by delivering the continue of	payment, Lessor agrees that Lessoe shall essee may at any time or times during g to Lessor or by filing for record a releas	not be obligated, except as otherwise provided herein,
accruing as to the acreage surremotives the said I essee covenants a	nd agrees:	If I are the sevel one eighth (109) must of all
2nd. To pay Lessor one-eighth (1/8) of the gross proceeds es	ich year, payable quarterly, for the gas for gasoline a royalty of one-eighth (1/8).	payable monthly at the prevaleng market rate for gas.
Where gas from a well capable of producing gas is not sold royalty acre retained hereunder, such payment or tender to be made royalty acre retained hereunder, such payment or tender to be made.	or used. Lessee may pay or tender as roo on or before the anniversary date of this sary date of this lease during the period t	lease next ensuing after the expiration of 90 days from such well is shut in. If such payment or tender is made,
5. If said Lessor owns a less interest in the above described lam gas royalty) herein provided for shall be paid the Lessor only in the	d than the entire and undivided tee simple the proportion which Lessor's interest be the produced on said land for Lessoe's o	e estate meretti, men me royantos (mores o)
No well shall be drilled nearer than 200 feet to the house of the state of the sta	or barn now on said premises without we see growing crops on said land, hinery and fixtures placed on said premi in whole or part. No change in ownershipsisting of certified copies of all recorded it	rition consent of Leasts' ises, including the right to draw and remove casing, ip of Leasor's interest (by assignment or otherwise) shall instruments or documents and other information necessary.
tive, shall be binding on Lessee. Not passed to tessee a operations to no leasehold owner shall be liable for any act or omission of any 12. Lessee, at its option, is hereby given the right and power all or any part of the land described herein and as to any one or more by this lease with other land, lease or leases in the immediate vicin indigment it is necessary or advisable to do so, and irrespective of units previously formed to include formations not producing oil or any unit shall be accomplished by Lessee executing and filing of any unit shall be accomplished by Lessee executing and filing of Any unit may include land upon which a well has theretofore beer drilling or recoverking operations or a well shut in for wan of a n production, drilling or reworking operations or a well shut in for wan easi royalties, Lesser shall receive on production from the unit so; be that proportion of the unit production that the total number of acres in such unit. In addition to the foregoing, Lessee shall have more of the formations thereunder with other lands in the same g any governmental authority and, from time to time, with like app conditions and provisions of this lease shall be deemed modified development or operation and, participally, all drilling and develop and development requirements of such plan or agreement, and the said above described lands or any part thereof, shall hereafter be of thereform is allocated to different portions of the land covered by computing the royalties to be paid hereunder to Lessor, be regard other tract of land; and the royalty payments to be made hereunder content to any cooperative or unit plan of development or operation of the paid to the original participal payments to be made hereunder content to any cooperative or unit plan of development or operation of the land covered by computing the royalties to be paid hereunder to Lessor, be regard other tract of land; and the royalty payments to be made hereunder content of operation of the land covered by computing the royalties tor	may be conducted without regard to any other leashold owner. at any time and from time to time as a e of the formations hereunder, to pool or ity for the production of oil and gas, or whether authority similar to this exists we gas, may be reformed to exclude such record a declaration of such unitization completed or upon which operations for arket anywhere on a unit which include into a market under this lease. In ten of sooled royalties only on the portion of su surface acres covered by this lease and the internal read to conform to unitize, pool, or combine eneral area by entering into a cooperative royal, to modify, change or terminate at the conform to the terms, conditions, and ment requirements of this lease, express o is lease shall not terminate or expire during a said plan, then the production allocated as having been produced from the pat to Lessor shall be based upon production in adopted by Lessee and approved by any	such division. If all or any part of this fease is assignated recurring right, either before or after production, as to unitize the leasehold estate and the mineral estate covered separately for the production of either, when in Lessee's fift respect to such other land, lease or leases. Likewise, non-producing formations. The forming or reforming of reformation, which declaration shall describe the unit, of illing have theretofore been commenced. Production, is all or a part of this lease shall be treated as if it were the royalties elsewhere herein specified, including shut-in che production allocated to this lease; such allocation shall included in the unit bears to the total number of surface all or any part of the above described lands as to one or ever unit plan of development or operation approved by such plan or agreement and, in such event, the terms, is provisions of such approved cooperative or unit plan of unpiled, shall be satisfied by compliance with the drilling ring the life of such plan or agreement. In the event that plan of development or operation whereby the production d to any particular tract of land to which it is allocated and not to any only as so allocated. Lessor shall formally express Lessor's governmental agency by executing the same upon request
of Lessee. 13. All express or implied covenants of this lease shall be stem into be terminated, in whole or in part, nor Lessee held liable in result of, any such Law, Order, Rule or Regulation. 14. Lessor hereby warrants and agrees to defend the title to for Lessor, by payment, any mortgages, tuxes or other liens on rights of the holder thereof, and the undersigned Lessors, for the homestead in the premises described herein, insofar as said right of c 15. Should any one or more of the parties hereinabove name execute it as Lessor. The word "Lessor," as used in this lease, so of this lease shall be brinding on the heres, successors and assage IN WITNESS WHEREOF, this instrument is executed as	the lands herein described, and agrees the above described lands, in the event inselves and their heirs, successors and a lower and homestead may in any way affect as Lessor fail to execute this lease, it half mean any one or more or all of the just of Lessors and Lessors.	that the Lessee shall have the right at any time to redeem of default of payment by Lessor and be subrogated to the ssigns, hereby surrender and release all right of dower and it the purposes for which this lesse is made, as recited herein the purposes for which this lesse is made, as recited herein
James Marie	× De	he lasts
James Curtis	Debra Cu	irtis
- Names Maria		
● SEE OFFI	ATTACHMENT FOR CIAL NOTARIZATION	Ru 12-19-96

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Nebrasica, North Dakota, South Dakota
ACKNOWLEDGMENT—INDIVIDERINY 97000357
BOOK 634
P. C. COUNTY OF_ PAGE 223 BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this_ day of <u>December</u>, 19<u>96</u>, personally appeared <u>James Curtis</u> and Debra Curtis to me known to be the identical person______, described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written. My Commission Expires_ Notary Public. Address: ____ STATE OF__ Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota ACKNOWLEDGMENT—INDIVIDUAL COUNTY OF_ BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this_ . 19_____, personally appeared____ day of_ and to me known to be the identical person____ ___, described in and who executed the within and foregoing instrument of writing and acknowledged to me that duly executed the same as____ and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written. My Commission Expires_ Notary Public. Address: ___ STATE OF ACKNOWLEDGMENT (For use by Corporation) COUNTY OF_ On this _day_of__ _, A.D. 19____, before me personally appeared_ to me personally known, who, being by me duly sworn, did say that he is the___ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said acknowledged said instrument to be free act and deed of said corporation. Witness my hand and seal this ______day of__ ____, A.D. 19____. Notary Public. (SEAL) Address. ____ My Commission expires_ records of this office. filed for record on the FROM 5 ŝ ¥E. ŝ Instrument Ē 'n

State of California	ENTRY 97000357 BOOK 634 PAGE 5
San Diego	
1 10 1996	Rachael Iris Staylor, Notary Public
	NAME, TITLE DE OFFICER - E.G., JANE DOE, NOTARY PUBLIC
personally appeared Tanco Co	name(s) of Signer(s)
Therspeally known to me - OR - M	proved to me on the basis of satisfactory evidence
	to be the person(s) whose name(s) is/are subscribed to the within instrument and ac-
	knowledged to me that he/she/they executed
	the same in his/her/their authorized
	capacity(ies), and that by his/her/their
RACHAEL RIS STAYLOR Commission & 1107285	signature(s) on the instrument the person(s),
Notary Public — Colliomia San Diego County	or the entity upon behalf of which the
My Corrent Frankes Aug 1, 2000	person(s) acted, executed the instrument.
تشر	WITNESS my hand and official seal.
9	Lachae X how Tay or
	SIGNATURE OF NOTARY
	OPTIONAL -
Though the data below is not required by law, it ma fraudulent reattachment of this form.	y prove valuable to persons relying on the document and could preven
CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
M INDIVIDUALS	
CORPORATE OFFICER	Viland Jan Feare
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PARTNER(S) LIMITED GENERAL	1
ATTORNEY-IN-FACT	NUMBER OF PAGES
TRUSTEE(S)	
GUARDIAN/CONSERVATOR	9-7-96
OTHER:	DATE OF DOCUMENT
	- : *
SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(IES)	SIGNER(S) OTHER THAN NAMED ABOVE